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THE WORLD AGRICULTURAL SITUATION

TRADE HIGHLIGHTS, 1967

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THE WORLD AGRICULTURAL SITUATION:

Trade Highlights, 1967

SUMMARY

A fall in the U.S. share of agricultural imports into most of the countries which are major customers of the United States and a 3-percent decline in import prices of farm products were highlights of 1967 agricultural trade.

While the value of world trade in all merchandise rose about 5 percent from 1966 to 1967--half as much as in the previous year--the value of agricultural imports remained about the same.

Canada's agricultural imports from the United States were about $25 million higher (5 percent) in 1967 than in 1966, but Japan and most European countries bought less. The drop for Japan was about $50 million (5 percent), but for 15 countries in Europe it totaled $450 million (16 percent).

WORLD HIGHLIGHTS

The U.S. share of the import market fell from 1966 to 1967 in most of the major customer countries of the United States, as shown in table 1. For 18 countries which accounted for 60 percent of U.S. agricultural exports in 1966, the value of agricultural imports from all countries decreased 2 percent. Agricultural imports from the United States into those 18 countries, however, fell 11 percent. Canada's agricultural imports from the United States rose about $25 million (5 percent) and the U.S. share of the market remained at about 55 percent. Agricultural imports into Japan from the United States fell about $50 million (5 percent), and the U.S. share of the import market decreased from 33 percent to 31 percent. The major setback for U.S. agricultural trade, however, was in Europe, where the total value of imports of farm products from the United States into 15 countries fell $450 million (16 percent).

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FOREIGN REGIONAL ANALYSIS DIVISION
ECONOMIC RESEARCH SERVICE
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Nearly all European countries bought less from the United States in 1967 than in 1966. The U.S. share of the market increased only in Denmark and France, but in both countries the United States gained only slightly in value while the value of agricultural imports from all origins was declining.

While the European countries were buying less from the United States, they were increasing trade among themselves. As table 2 shows, the value of agricultural imports into 15 European countries from Europe and the USSR rose from $8,564 million in 1966 (39 percent of total agricultural imports) to $9,122 million in 1967 (43 percent of the total). This increase, which is in sharp contrast to the $450 million decline in imports from the United States, reflected the rising level of agricultural production in Europe, the increased value of trade within the EEC, and the efforts of the European countries to increase their exports.

The United States was not the only supplier suffering a reduced share in this market in 1967. The shares of Australia, Canada, and Mainland China also fell, as did those of the less developed countries (LDC's) as a whole--although some individual less developed countries gained.

The commodity distribution of agricultural imports into 15 European countries is shown in table 3. The value of imports of all agricultural commodities from all countries fell 3 percent, from $21.9 billion to $21.3 billion. The decrease for the commodities in which the United States has a major export trade was 5 percent, while the much larger group of other agricultural commodities fell only 2 percent.

The value of imports of the former group of commodities from all origins fell $363 million--from $7,045 million to $6,682 million--but imports from the United States fell even more, and the U.S. share of the trade dropped from 33 percent to 29 percent.

The U.S. share was unchanged in the rising imports of tobacco and vegetable oils, but in the growing imports of soybeans it fell slightly. The United States gained in the European imports of rice, cotton, and by-product animal feed (SITC 081).1/ Those gains, however, were outweighed by losses in the shrinking imports of feed grains, wheat, hides, and tallow.

Much of the decline in total value of European imports of hides and tallow was due to the drop in their prices. Table 4 shows the average unit values computed from the import statistics of the European Economic Community, the United Kingdom, the United States, Canada, and Japan. Although the general level of import prices rose 1 percent from 1965 to 1966, it fell 3 percent from 1966 to 1967. Only six of the commodities listed showed significant increases from 1966 to 1967; 24 showed decreases of 1 percent or more. The biggest decreases were for tallow, lard, and hides, all of which affected U.S. exports directly, but lower import prices for peanuts, copra, palm kernels, and competitive vegetable oils affected U.S. export earnings indirectly.

1/ Standard International Trade Classification

Table 1.--Total agricultural imports of 18 countries, and U.S. share, 1966 and 1967 1/

Country	1966			1967			Change, 1966 to 1967	
	From all countries	From U.S.	U.S. share	From all countries	From U.S.	U.S. share	From all countries	From U.S.
	- Million dollars -		Percent	- Million dollars -		Percent	Percent	Percent
Belgium-Luxembourg	1,177	185	15.7	1,222	166	13.6	4	-10
France	2,827	219	7.8	2,614	220	8.4	-8	2/
W. Germany	4,943	662	13.4	4,632	582	12.6	-6	-12
Italy	2,585	330	12.8	2,607	222	8.5	1	-33
Netherlands	1,356	385	28.4	1,452	343	23.6	7	-11
EEC 3/	12,888	1,781	13.8	12,526	1,533	12.2	-3	-14
Austria	377	35	9.2	331	15	4.6	-12	-56
Denmark	444	106	24.0	428	112	26.2	-4	5
Norway	266	65	24.3	265	53	20.0	2/	-18
Sweden	600	80	13.2	580	63	10.9	-3	-21
Switzerland	722	65	9.0	734	52	7.1	2	-19
United Kingdom	5,754	520	9.0	5,640	447	7.9	-2	-14
Finland	234	24	10.4	223	18	8.0	-5	-27
Greece	185	33	17.7	188	28	14.6	1	-16
Iceland	16	6	39.1	17	4	21.7	12	-38
Yugoslavia	369	137	37.0	328	77	23.5	-11	-44
15 European countries 3/	21,856	2,851	13.0	21,262	2,402	11.3	-3	-16
Canada	913	503	55.1	966	527	54.6	6	5
Japan	3,244	1,079	33.3	3,296	1,028	31.2	2	-5
Turkey	67	36	53.3	37	14	38.5	-46	-61
18 countries 3/	26,080	4,469	17.1	25,560	3,971	15.5	-2	-11

1/ For these 18 countries and the United States, ERS received from the United Nations special computer tabulations of agricultural trade in 1966 and 1967. 2/ Less than 0.5 percent. 3/ Columns may not add to totals because of rounding.

Table 2.--Origin of imports of agricultural commodities, 15 European countries, 1966 and 1967

Origin	1966				1967				Change, 1966 to 1967	
	EEC	Others	Total	Share	EEC	Others	Total	Share	Increase	Decrease
	Million dollars			Percent	Million dollars			Percent	Percentage points	
Total 1/	12,888.3	8,967.8	21,856.1	100.0	12,526.3	8,735.3	21,261.6	100.0		
United States	1,781.0	1,070.4	2,851.4	13.0	1,532.8	869.0	2,401.8	11.3		1.7
EEC	3,234.9	1,309.5	4,544.4	20.8	3,472.0	1,400.7	4,872.7	22.9	2.1	
EFTA	679.0	876.5	1,555.5	7.1	692.3	876.0	1,568.3	7.4	.3	
Other Western Europe	501.4	743.1	1,244.5	5.7	492.7	789.5	1,282.2	6.0	.3	
Total Western Europe	4,415.3	2,929.1	7,344.4	33.6	4,657.0	3,066.2	7,723.2	36.3	2.7	
Australia	427.9	510.7	938.6	4.3	384.6	418.7	803.3	3.8		.5
Canada	193.3	378.2	571.5	2.6	166.3	358.5	524.8	2.5		.1
Rep. of South Africa	194.0	266.6	460.6	2.1	185.7	291.3	477.0	2.2	.1	
Mainland China	171.0	89.4	260.4	1.2	149.4	91.3	240.7	1.1		.1
USSR	113.5	94.4	207.9	1.0	126.8	119.7	246.5	1.2	.2	
Bulgaria	84.8	49.3	134.1	.6	95.4	37.9	133.3	.6		
Hungary	121.2	51.5	172.7	.8	129.3	49.8	179.1	.8		
Poland	143.3	155.7	299.0	1.4	142.7	135.1	277.8	1.3		.1
Rumania	76.5	36.4	112.9	.5	114.1	65.4	179.5	.8	.3	
Yugoslavia	134.0	69.6	203.6	.9	181.0	73.9	254.9	1.2	.3	
Other Eastern Europe	68.4	20.7	89.1	.4	86.5	42.0	128.5	.6	.2	
Total Eastern Europe	628.2	383.2	1,011.4	4.6	749.0	404.1	1,153.1	5.4	.8	
Argentina	686.0	296.1	982.1	4.5	647.2	303.6	950.8	4.5		
Brazil	418.1	257.5	675.6	3.1	396.4	241.7	638.1	3.0		.1
Colombia	118.2	60.3	178.5	.8	123.2	69.7	192.9	.9	.1	
Mexico	132.4	35.5	167.9	.8	121.5	21.3	142.8	.7		.1
Other LAFTA	303.0	136.8	439.8	2.0	251.8	134.3	386.1	1.8		.2
CACM	189.0	62.0	251.0	1.1	185.6	61.4	247.0	1.2	.1	
Other Latin America	153.4	215.2	368.6	1.7	138.5	215.1	353.6	1.7		
Total Latin America	2,000.1	1,063.4	3,063.5	14.0	1,864.2	1,047.1	2,911.3	13.7		.3
LDC Africa	1,711.2	674.4	2,385.6	10.9	1,567.3	602.7	2,170.0	10.2		.7
LDC Asia	1,032.7	898.7	1,931.4	8.8	983.7	869.9	1,853.6	8.7		.1
Other and unspecified	220.0	609.4	829.4	3.8	159.6	596.7	756.3	3.6		.2

1/ Columns may not add to totals because of rounding.

Table 3.--Value of selected agricultural imports, 15 European countries, 1966 and 1967

SITC No.	Commodity	1966			1967			Change, 1966 to 1967	
		From all countries	From U.S.	U.S. share	From all countries	From U.S.	U.S. share	From all countries	From U.S.
		- Million dollars -		Percent	- Million dollars -		Percent	- - - Percent - - -	
041	Wheat.	847.8	293.5	35	754.8	173.7	23	-11	-41
042	Rice	105.5	32.2	31	100.5	42.0	42	-5	30
043-045	Feed grains.	1,670.7	823.3	49	1,515.3	520.6	34	-9	-37
081	Animal feed.	1,239.4	245.2	20	1,216.1	256.6	21	-2	5
121	Tobacco, unmanufactured	692.9	332.4	48	729.0	349.8	48	5	5
211	Hides and skins. . . .	540.5	36.6	7	437.0	24.6	6	-19	-33
221.4	Soybeans	436.8	391.0	90	453.6	396.2	87	4	1
263.1	Cotton, excl. linters.	881.5	132.6	15	831.4	138.8	17	-6	5
411.3	Tallow	102.9	44.0	43	87.2	33.7	39	-15	-23
42	Vegetable oils	527.0	20.2	4	556.6	22.3	4	6	10
	Total selected commodities 1/. . . .	7,045.0	2,351.0	33	6,681.5	1,958.3	29	-5	-17
	Other agricultural commodities 2/.	14,811.1	500.4	3	14,580.1	443.5	3	-2	-11
	Total.	21,856.1	2,851.4	13	21,261.6	2,401.8	11	-3	-16

1/ Commodities in which the United States has a major export trade.
2/ Live animals, meat, dairy products, fruits, vegetables, sugar, tropical products, nonalcoholic beverages, oilseeds other than soybeans, wool, vegetable fibers other than cotton, essential oils, starch, and crude animal and vegetable materials.

Table 4.--Unit values of imports of selected agricultural products into EEC, United Kingdom, United States, Canada, Japan, 1965-67

SITC No.	Commodity	Unit value per ton 1965	1966	1967	Change 1965 to 1966	1966 to 1967
		- - - - - Dollars - - - - -			- Percent -	
041	Wheat.	73.1	75.2	77.4	3	3
042	Rice	143.5	154.9	168.6	8	9
043	Barley	70.8	77.4	75.6	9	-2
044	Corn	67.3	67.3	66.0	0	-2
045.1	Rye.	58.6	64.1	63.1	9	-2
045.2	Oats	63.7	66.2	64.8	4	-2
045.9	Other cereals.	59.2	59.1	64.3	0	9
046	Wheat flour.	110.6	113.3	116.9	2	3
051.1	Oranges, tangerines, etc.	166.0	166.3	166.0	0	0
051.3	Bananas.	141.9	139.9	140.2	-1	0
061.1	Raw sugar.	109.7	101.3	95.5	-8	-6
071	Coffee	861.9	845.1	800.2	-2	-5
072	Cocoa beans.	414.3	450.7	589.2	9	31
074	Tea.	1,158.8	1,144.0	1,076.0	-1	-6
081.3	Oilcake.	91.2	94.8	93.5	4	-1
081.4	Meatmeal and fishmeal.	158.9	175.8	145.9	11	-17
091.3	Lard	261.0	248.9	198.0	-5	-20
121	Tobacco.	1,398.5	1,454.6	1,449.3	4	0
211	Hides.	629.8	790.5	639.1	26	-19
221.1	Peanuts.	213.6	212.9	203.7	0	-4
221.2	Copra.	209.2	188.0	176.2	-10	-6
221.3	Palm kernels	173.5	162.5	146.9	-6	-10
221.4	Soybeans	116.2	119.6	118.0	3	-1
221.5	Flaxseed	131.8	125.9	128.1	-4	2
231.1	Natural rubber	454.4	450.8	397.9	0	-12
262.1	Wool, greasy	1,322.4	1,375.0	1,247.9	4	-9
262.2	Wool, scoured.	1,500.2	1,523.7	1,289.6	2	-15
263.1	Cotton	632.4	607.7	597.2	-4	-2
264	Jute	264.9	268.9	263.4	2	-2
265	Other vegetable fibers	212.0	202.5	182.2	-4	-10
411.3	Tallow	215.9	204.5	160.0	-5	-22
421	Vegetable oils, soft .	338.2	350.3	328.3	4	-6
422	Vegetable oils, other.	286.7	255.0	247.1	-11	-3
	Average	--	--	--	1	-3

COUNTRY HIGHLIGHTS 2/

European Economic Community

The countries of the EEC--Belgium, Luxembourg, France, West Germany, Italy, and the Netherlands--collectively imported $12.5 billion in agricultural commodities in 1967 (including intra-EEC trade). Imports from the United States accounted for over $1.5 billion, or 12 percent of the total. In 1966, the United States had supplied $1.8 billion, or 14 percent, of the EEC's $12.9 billion in agricultural imports.

Belgium-Luxembourg: Agricultural imports from the United States were valued at $174 million in 1965, $185 million in 1966, and $166 million in 1967. They represented 14 percent of Belgium-Luxembourg's agricultural imports in 1967, compared with 16 percent for the 2 preceding years.

Corn imports in 1967 were up one-fourth, but imports from the United States were valued at only $33 million, a decrease of 25 percent from 1966. The United States is the leading supplier, followed by Argentina. Imports of U.S. grain sorghum also dropped sharply--from $45 million in 1966 to $26 million in 1967. A general decline in grain sorghum imports was caused by the unfavorable price relationships between corn and grain sorghum. Other feed grain imports from the United States were also below the previous year's level.

While Belgium-Luxembourg's total wheat imports declined about 7 percent from 1966, imports from the United States increased and were valued at about $10 million. Traditional suppliers, apart from the United States, include Canada, France, and Argentina. Most imports from the United States are of quality wheat, chiefly durum.

Imports of soybeans advanced sharply in 1967; they were up 28 percent from 1966. New soybean crushing plants reflect Belgium-Luxembourg's broadened soybean consumption resulting from expansion of its hog and poultry industry.

Animal feedstuffs (including oilseed cake and meal) imported from the United States in 1967 amounted to $16 million, $2 million above a year earlier. From 16 to 18 percent of Belgium-Luxembourg's animal feedstuffs were imported from the United States in 1965 through 1967.

2/ The preceding analysis of world highlights is based on data from special computer tabulations of agricultural trade in 1966 and 1967, made by the United Nations for the countries listed in table 1. The following analysis is based largely on national statistical publications and dispatches from U.S. agricultural attaches. The countries are arranged alphabetically within the following groups: European Economic Community, Other European Countries, Western Hemisphere, Far East and Oceania, and Africa and Middle East.

Belgium-Luxembourg's imports of tobacco in 1967 were valued at $45 million, 26 percent more than the $35 million in 1966. Although the U.S. share showed only a slight increase the absolute rise in value from a year earlier was $3.1 million, bringing the total value of imported U.S. tobacco to $13 million. Belgium-Luxembourg imports tobacco from a large number of countries, with the United States traditionally the major supplier. Flue-cured Virginia leaf accounts for 60 to 75 percent of all tobacco imported from the United States.

The value of Belgium-Luxembourg's total imports of cotton declined about one-third from a year earlier. The U.S. share decreased from 14 percent in 1966 to 12 percent in 1967. The general decline in cotton imports reflects the sluggishness of Belgium-Luxembourg's textile industry.

Imports of fruits and vegetables have increased substantially in recent years. Although 1967 imports increased less than 2 percent in value from 1966, they were 18 percent higher than in 1965. Imports of fruits and vegetables from the United States accounted for 10 percent of the total and were virtually unchanged in value from the previous year. A significant marketing development in 1967 was the sharp increase in sales of U.S. orange juice.

France: Principal French imports from the United States are oilseed cake and meal, oilseeds, wheat, corn, variety meats, cotton, and citrus fruit. The United States supplied 46 percent of French imports of oilseed cake and meal in 1965 and has since held about half the market. France has become increasingly dependent on imports of oilseed cake and meal as rising consumption has outpaced domestic production. On the other hand, total French imports of oilseeds have been declining due to expanded production, except for 1966, when summer storms reduced rapeseed output. French imports from the United States, however, increased from $14.8 million in 1965 to $16.4 million in 1966 to $17.3 million in 1967. The U.S. share of the market has been increasing slightly and reached 11.5 percent in 1967.

The United States is France's prime supplier of wheat and corn. The value of total French wheat imports hovered around $52 million during 2 peak production years, 1965 and 1967, but increased by $5 million in 1966, when domestic production declined. From 1965 through 1967, imports of U.S. wheat, primarily durum and hard wheat used in baking, increased 44 percent in value; 1967 imports totaled $30.5 million. Apparently making inroads on Argentine and Canadian trade, the United States expanded its market share from 40 percent in 1965 to 59 percent in 1967.

A 21-percent decline in French corn imports from 1965 to 1967 coincided with increases in area planted, yields, and production (though harvests and yields were down somewhat in 1967 due to drought). In 1965 and 1966, imports from the United States held at about $27 million, but they dropped to $20 million in 1967. The 1967 market share of 56 percent was close to that of 1965 but much lower than in 1966, when the United States supplied 73 percent of France's corn imports. The high U.S. market share in 1966 coincided with a decline from 1965 in transshipments of corn through Italy reported as Italian exports. After July 1, 1967, Italy was required to add the equivalent of her discount in the import levy for third countries to

her intra-EEC selling price. For 1967, French imports of Italian corn were minimal, imports from the United States were normal, and imports from Mexico and Argentina were up substantially.

France's No. 3 import from the United States is variety meats. Total French imports have been on the rise, increasing from $43.0 million in 1965 to $47.3 million in 1967. U.S. sales amounted to $20.8 million in 1967 and accounted for about 45 percent of the market for 1965 through 1967.

The French cotton industry is gradually recovering from a 1965 recession. Cotton imports rose substantially from 1965 to 1966, but declined last year. The U.S. market share in 1967 was about 13 percent, or $20.7 million. However, compared with 1965, U.S. sales dropped 20 percent. Since 1965, the United States has lost part of its market to Mexico, the USSR, and Turkey.

The United States has profited from a growing French market for citrus fruits. French imports from the United States increased from $7.6 million in 1965 to $8.0 million in 1966 to $10.7 million in 1967. The U.S. market share rose from 5 percent in 1965 to 6.5 percent in 1967.

West Germany: Cereals, oilseeds, animal feeds, and raw tobacco are the major agricultural items imported by West Germany from the United States. In 1967, they accounted for about 82 percent of agricultural products imported from the United States.

One of the most important declines in West German imports of U.S. agricultural items in 1967 occurred in grains. Imports of feed grains from the United States in 1967 were valued at $80 million, $41 million less than in 1966 and $32 million below 1965. The U.S. share of the feed grain market dropped from 33 percent in 1965 to 32 percent in 1966 and 18 percent in 1967.

West German imports of U.S. corn rose from $78 million in 1965 to $81 million in 1966 and fell to $67 million in 1967. U.S. performance in the corn market has been disappointing; the U.S. share fell from 44 percent in 1965 to 42 percent in 1966 and 39 percent in 1967. U.S. corn is meeting stiff competition--primarily from Argentina, but also from Romania and Yugoslavia. German imports of sorghum, including shipments from the United States, have declined yearly since 1965. Imports of U.S. sorghum, valued at $15 million in 1965, totaled about $4 million in 1967. Sorghum imports are declining due to threshold-price differentials disadvantageous to milo.

West German imports of wheat rose 24 percent between 1965 and 1967. Imports of U.S. wheat increased from $24 million to $37 million during this same period.

Soybeans are by far the most important single U.S. agricultural item to enter the West German market. West German imports of U.S. soybeans amounted to $171 million in 1967, less than the record level of $185 million in 1966. Despite this decline, the performance of U.S. soybeans as a competitor in the West German oilseed market has been excellent. Soybeans

imported from the United States captured 43 percent of the market in 1965, 48 percent in 1966, and 51 percent in 1967.

Imports of U.S. soybean meal have increased steadily since 1965, from $34 million to $59 million in 1966 and $60 million in 1967. The U.S. share of the oilseed meal market rose from 23 percent to 34 percent during this period.

West German demand for U.S. tobacco continued strong in 1967. Imports of raw U.S. tobacco rose from $91 million in 1966 to a record $106 million in 1967.

The West German market for fats and oils is declining; total imports dropped 20 percent between 1965 and 1967. The U.S. share of this market is declining at a more rapid rate. Imports of U.S. cottonseed and peanut oils, valued at $25 million in 1965, were negligible in 1967. Imports of U.S. tallow also fell steadily during this period, from $9.6 million in 1965 to $6.0 million in 1967.

West German imports of U.S. poultry and variety meats declined in 1967. U.S. poultry meat imports were valued at $11 million in 1967, down 23 percent from 1965. West German imports of U.S. variety meats were restricted in 1967 by veterinary requirements. Imports of U.S. products dropped from $11 million in 1966 to $6 million in 1967.

Imports of U.S. canned fruits have decreased steadily since 1965. U.S. products, valued at $24.5 million in 1965, dropped to $15.6 million in 1966 and $10.1 million in 1967. The U.S. share of the market has shown a corresponding reduction.

Italy: Agricultural imports in 1967 amounted to $2.6 billion, or 27 percent of total imports, about the same as in 1966. A sizable reduction occurred in imports of feed grains, chiefly corn, and of wheat, but the sharp increase in imports of livestock and meat helped to offset this decline.

Italy's wheat imports dropped from 1.2 million tons 3/ in 1966 to 847,000 tons in 1967, or about 28 percent. The U.S. share in 1967 was less than 10 percent, compared with 16 percent in the previous year. Italy imports both soft and quality wheats from France, Canada, Argentina, and the United States. Preference is given to U.S. durum wheat in the manufacturing of pasta products.

Corn imports dropped 37 percent in 1967 to 3.4 million tons, compared with 5.4 million tons in 1966. Purchases from Argentina accounted for 1.8 million tons, while the United States supplied 0.6 million tons. The U.S. share was 18 percent, compared with a traditional share of 35 percent. The value of imports of all grains and grain products from the United States

3/ Tonnages in this report are metric.

fell from $154 million in 1965 and $191 million in 1966 to only $66 million in 1967.

Imports of oilseeds, chiefly soybeans, reached $168 million in 1967, compared with $153 million in 1966 and $114 million in 1965. Slightly over one-third of the oilseed imports in 1967 were from the United States. Normally, about 80 to 90 percent of Italy's soybean imports come from the United States. The quantity of soybean imports from Mainland China has been declining, but imports from Brazil, a new supplier, have increased substantially in recent years.

Imports of cotton in 1967 were valued at $166 million, about $10 million less than in 1966. Imports from Mexico accounted for 18 percent in 1967. Purchases from the United States increased significantly, with the U.S. share going from 16 percent in 1966 to 22 percent in 1967. The sharp rise in imports from the United States is attributed in part to the Middle East conflict in June 1967.

Tobacco imports increased from 6,662 tons in 1966 to 10,300 tons in 1967. Purchases from the United States accounted for 30 percent of the total quantity imported, up slightly from 28 percent in 1966. The value of tobacco imported in 1967 reached approximately $19 million.

The 1967 imports of live animals, consisting mainly of feeder cattle and slaughter calves, reached $271 million--an increase of $67 million, or 33 percent, from 1966 and over $100 million, or 60 percent, from 1965. Imports of meat and meat products, mainly beef and veal, totaled $403 million--up 16 percent from 1966 and 32 percent from 1965.

Netherlands: Cereals, oilseeds, and animal feeds are the three major agricultural commodity groups imported from the United States by the Netherlands. In 1967, they accounted for 78 percent of U.S. agricultural imports by the Netherlands.

Imports of cereals by the Netherlands rose in 1967, but the U.S. share of the market dropped from 79 percent in 1966 to 61 percent in 1967. Imports of U.S. wheat in 1967 were valued at $21 million, well below the $35 million imported in 1966 but about equal to the 1965 value. Imports of U.S. wheat were abnormally high in 1966 as the United States replaced Argentina and France as major suppliers. Although Dutch imports of U.S. corn in 1967 remained near 1966 levels, the U.S. share of an expanding market has declined. The U.S. loss in the Dutch corn market has been an apparent gain for Mexico. Dutch imports of corn from Mexico increased from an average value of $830,000 in 1965 and 1966 to $16 million in 1967. Sorghum imports have fallen steadily, declining 67 percent between 1965 and 1967 to $24 million. Imports of U.S. sorghum have also declined, falling from $33 million in 1965 to $15 million in 1967. Sorghum imports are declining due to threshold-price differentials that currently are disadvantageous to milo.

Dutch imports of animal feeds, primarily corn gluten, bran, and oilseed cake and meal rose from $100 million in 1963 to $118 million in 1965 and $150 million in 1967. Part of the rising demand for concentrated feedstuffs

has been filled by imports of the cheaper substitute feeds. Dutch imports of corn gluten, supplied primarily by the United States, rose from $19 million in 1965 to $29 million in 1967. Imports of U.S. oilcake and meal rose from $17 million in 1965 to $27 million in 1967, with the U.S. share increasing from 35 percent to 46 percent.

The Netherlands in 1965 imported $16.6 million in milk powder from the United States. Since then, expanded milk production in the EEC and protective trading policies have nearly eliminated this U.S. market. Dutch imports of U.S. milk powder amounted to less than $300,000 in 1967. West Germany has replaced the United States as the major Dutch supplier.

Imports of fats and oils from the United States continued to drop in 1967, falling from $24 million in 1965 to $16 million in 1967.

Other European Countries

Denmark: Total Danish imports exceeded $3.1 billion in 1967, an increase of 7 percent over the 1965-66 average of almost $2.9 billion. Agricultural products accounted for around 15 percent of total imports during these years. The U.S. share of Danish agricultural imports did not change significantly during the 1965-67 period.

The most important U.S. agricultural commodities imported by Denmark in 1967 were oilseeds (mainly soybeans), cereals and preparations, unmanufactured tobacco, and animal feedstuffs.

Both the total quantity of imported oilseeds and the volume of oilseeds from the United States returned to more normal levels in 1967 after having fallen sharply in 1966. In 1967, Danish imports of oilseeds totaled about $61 million, with over $50 million supplied by the United States. The U.S. share increased from about 75 percent in 1965 and 1966 to 83 percent in 1967. Imports of animal feedstuffs, including oilseed cake and meal, declined from $97 million in 1966 to $81 million in 1967. Imports of animal feed from the United States dropped from $17 million to $12 million. Danish imports of oilseed cakes had been rising steadily since 1962. The decline in 1967 may be related to the increase in oilseed imports and a reduction in livestock numbers.

Imports of U.S. cereals and preparations decreased from $26 million in 1966 to around $20 million in 1967, with the U.S. share declining from 41 percent to 34 percent. Demand for imported feed grains, particularly corn (which accounts for about half the feed grain imports from the United States), declined due to an excellent harvest. Output of barley, the major domestically produced feed grain, increased by 4 percent in 1967. Import requirements probably were also lessened somewhat by the reduction in livestock numbers. Declines in imports of certain other feed grains, such as grain sorghum, are partly explained by the unfavorable prices for these grains resulting from the application of the Danish variable-levy system. France, Argentina, Canada, and the United Kingdom were also major suppliers of grain to Denmark in 1967.

Total Danish agricultural exports declined by around $40 million to approximately $1 billion in 1967. Reduced exports of livestock products accounted for most of the decline. Exports of pork products to the United Kingdom, Denmark's major market for agricultural products, dipped by 5 percent in 1967 to $249 million. Also, exports of beef and veal to West Germany declined sharply, by 35 percent, to $25 million.

Spain: The rapid growth in agricultural imports which characterized Spain's agricultural trade in recent years was reversed in 1967. The value of agricultural imports, which increased 40 percent in 1965 and 22 percent in 1966, declined 7 percent in 1967. Spain imported about $768 million in agricultural commodities in 1967, compared with nearly $830 million in 1966.

In 1967, Spain imported smaller amounts of many agricultural products, with major declines from 1966 in natural fibers (mainly cotton), fresh and frozen meats, and animal feeds. The only increases in major agricultural imports in 1967 over 1966 were in oilseeds (principally soybeans), tobacco, and dairy products.

The United States remained Spain's major supplier of agricultural products, providing more than one-fourth of total agricultural imports. But Spain's agricultural imports from the United States in 1967, at nearly $200 million, were about one-fifth less than in 1966, or about equal to the 1965 level. Feed grains and soybeans continued to account for more than 80 percent of Spain's agricultural imports from the United States. Imports of U.S. soybeans in 1967 were up nearly one-fourth over 1966 to $93 million, but imports of U.S. feed grains were down 40 percent to $73 million.

In 1967, Spain imported 3.3 million tons ($216 million) of feed grains, compared with 3.4 million tons in 1966 and 2.4 million tons in 1965. The U.S. share of Spain's feed grain market was only about one-third in 1967, compared with about half in 1966 and nearly two-thirds in 1965. This decline was due to reduced imports of U.S. corn. Even though total corn imports by Spain increased from 2.4 million tons in 1966 to 2.6 million tons in 1967, imports of U.S. corn were down by about 800,000 tons, or 45 percent. Offsetting this decrease in imports of U.S. corn were a twofold or 600,000-ton increase in imports of Argentine corn and a 50-percent or 150,000-ton increase in corn imports from France. In addition, Spain increased its imports of corn from Brazil and South Africa by a total of 120,000 tons in 1967.

France and Argentina continue to dominate Spain's grain sorghum market. In 1966, Argentina supplied 280,000 tons of grain sorghum or three-fourths of Spain's total imports. In 1967, France became Spain's major supplier, with sales of grain sorghum approaching 160,000 tons. Spain's imports of U.S. grain sorghum declined from 73,000 tons in 1966 to 40,000 tons in 1967.

Spain's agricultural exports amounted to nearly $600 million in 1967, or more than one-tenth more than in 1966. Most of this increase was attributed to exports of wheat and rice (both in surplus supply), which rose from $9 million in 1966 to $43 million in 1967. Because of increased production,

exports of fats and oils--mainly olive oil--were up one-third over 1966 to $65 million. Exports of all fruits and vegetables amounted to $370 million in 1967.

Switzerland: Swiss imports of agricultural products, at $734 million in 1967, continued the slow upward trend of recent years. There was no marked change from 1966 in the composition of Swiss agricultural imports. Fruits and vegetables, at $160 million in 1967, continued to be the leading agricultural import, followed by cereals and cereal preparations at $107 million.

There were, however, significant changes in the source of supply for some agricultural imports, particularly grains. In 1967, Swiss imports of U.S. grains were $14 million less than in 1966, while imports of French grains increased by $11 million. Although Swiss imports of feed grains were up 15 percent from 1966 to 833,000 tons, imports of U.S. feed grains dropped three-fourths to only 40,000 tons in 1967. Imports of U.S. wheat, at 52,000 tons in 1967, were half the volume of 1966.

Swiss imports of heavily subsidized French grains rose from $40 million in 1966 to $51 million in 1967; these imports had totaled only $28 million in 1965. France supplied nearly 600,000 tons of feed grains, or 50 percent more than in 1966. A large percentage of this increase was attributed to imports of French corn, which nearly doubled to 171,000 tons in 1967. Also, imports of French barley were up more than one-fourth to 400,000 tons in 1967. France supplied about one-third of the wheat imports in each year.

Argentina also gained in the Swiss grain market in 1967. Switzerland's imports of feed grains from Argentina were up 50 percent from 1966 to 90,000 tons. Imports of Argentine oats were up threefold to 45,000 tons, and corn was up slightly to 45,000 tons.

In 1967, unmanufactured tobacco regained the role of the principal U.S. agricultural product imported by Switzerland, cereals and cereal preparations having occupied the primary position in 1966. Swiss purchases of U.S. tobacco increased from $16 million in 1966 to $18 million in 1967. The United States continued to supply more than half of the unmanufactured tobacco imported by Switzerland.

United Kingdom: In 1967, the value of all commodities imported by the United Kingdom increased about 9 percent, but agricultural imports declined 2 percent.

The value of British agricultural imports from the United States declined 14 percent in 1967, decreasing the U.S. share of British agricultural imports from 9 percent to 8 percent. The values of most commodities imported from the United States were lower in 1967 than in 1966. The decline in imports of U.S. cereals and cereal preparations ($159 million in 1967, compared with $210 million in 1966 and $169 million in 1965) was most significant, accounting for about 65 percent of the total decrease in U.K. agricultural imports from the United States. Imports of wheat from the United States declined from $44 million in 1966 to $32 million, while imports of U.S. corn dropped from $146 million to $113 million. The U.S. share of U.K. grain imports fell from 34 percent to 26 percent.

Imports of grain from the United States were abnormally large in 1966. Imports of U.S. corn increased from $122 million and $129 million in 1964 and 1965 to $146 million in 1966, largely because a drought reduced the South African corn crop. Imports of U.S. wheat nearly doubled between 1965 and 1966, despite the fact that total imports of wheat by the United Kingdom declined.

In 1967, South Africa had recovered from its drought and reclaimed a large share of the U.K. corn market. In addition, the United Kingdom increased its imports of corn from France ($17 million in 1967, compared with $4 million in 1966); Romania ($9 million, compared with $3 million); and Argentina ($11 million, compared with $7 million). The result was a decline in imports from the United States, Canada, and Mexico.

Imports of wheat by the United Kingdom continued to decline in value in 1967. Reflecting the decreased requirements, imports from major suppliers, such as Canada, Australia, and the United States, were reduced. Romania, however, managed to increase its shipments of wheat to the United Kingdom; the value of transshipments from the Netherlands also rose.

U.K. imports of U.S. fruits and vegetables and unmanufactured tobacco were only slightly lower in value in 1967 than in 1966.

Western Hemisphere

Argentina: Due to reduced supplies, Argentina exported 60 percent less wheat (a decline of 3 million tons) and almost 50 percent less sorghum grains (a decline of 494,000 tons) in 1967 than in 1966. In contrast, corn exports continued to rise in 1967, with sales of 4,317,000 tons resulting in a 12-percent increase from the large volume for the previous year. The decrease in wheat available for export, rather than difficulties in obtaining markets, was the key factor in the wheat export decline.

Argentina allocated the smaller wheat supplies available for export to its traditional customers in Europe and Latin America. Argentine wheat exports to the EEC in 1967 (571,000 tons) were about 12 percent above the 1966 level due to larger shipments to France and the Netherlands. Sales to the United Kingdom rose 3 percent to 184,000 tons, and exports to Portugal and Switzerland were larger. In contrast, shipments to Eastern Europe declined sharply, and the large 1966 sales to the USSR and Mainland China of 3.5 million tons were not repeated in 1967. Shipments of 778,000 tons to the important Brazilian market were about one-fourth less than a year earlier.

Western Europe continued as the dominant market for Argentine corn, accounting for more than 90 percent of 1967 exports. Shipments to Italy declined 20 percent to 2.1 million tons, and--despite some gains in other EEC countries--the 1967 trade with the EEC was about 8 percent below a year earlier. However, exports to Spain rose to 889,000 tons--more than double the 1966 level. Trade with the United Kingdom and other EFTA countries was up significantly, and Japan increased purchases from 26,000 tons in 1966 to 100,000 tons in 1967.

Sorghum is less important in Argentina's export picture than wheat or corn but is nonetheless an important earner of foreign exchange. Sales in 1967 were only 52 percent of 1966, chiefly because of decreased supplies available for export. All the losses occurred in Europe, where increased sales to the Netherlands--up 34,000 tons--could not offset total or almost total losses of the French, Italian, and West German markets and a major drop of over 100,000 tons in sales to the United Kingdom.

Brazil: Exports of corn to the traditional Italian market declined slightly from 486,000 tons in 1965 to 438,000 tons in 1966; 1967 sales of 252,000 tons to Italy were barely half of 1965's and almost exactly half of 1965 exports to the EEC as a whole. Sales to West Germany declined, and there were no sales to Belgium or Luxembourg in 1967. EFTA is not a particularly important customer, though Austria purchased 15,000 tons in 1966 and Switzerland has made some recent purchases. Spain made a substantial purchase of 55,000 tons in 1967 and is the only European customer outside the two trade groups.

The less developed countries are usually not important purchasers of Brazilian corn, though 36,000 tons were sold to Cuba in 1966.

Perhaps the most interesting development in Brazil's corn export picture has been the rapid increase in sales to Japan. Sales were negligible in 1965, but increased in 1966. By 1967, purchases of 64,000 tons placed Japan second only to Italy as a purchaser of Brazilian corn. With an apparently decreasing market in the EEC countries, Brazil will probably loom larger as a competitor of the United States in the Japanese market.

Canada: The value of agricultural exports fell more than 20 percent from $1,710 million in 1966 to $1,360 million in 1967; most of the decline occurred in exports of grains and grain preparations ($852 million, compared with $1,146 million in 1966.) While live animals, meat, oilseeds, and some other agricultural export categories registered declines, exports of fruits and vegetables and tobacco were higher. Greatly reduced sales of wheat and flour to the USSR, Mainland China, and Eastern Europe accounted for nearly all of the decline in grain exports.

Imports of agricultural commodities, both total and from the United States, continued to increase in 1967. Although Canada enjoys a substantial agricultural trade surplus in general, it is a heavy net importer of agricultural products from the United States. Changes in the import values of most major agricultural categories were relatively small. Live animal imports in 1967 nearly doubled in value from 1966, and imports of corn and meat were also up. Natural fiber imports rose in value, but commodities in the fats and oils categories declined.

In 1967, the United States retained or increased its customary market share of most agricultural trade items. Decreases, however, were posted for Canadian imports of U.S. oilseeds, hides and skins, and fats and oils, the last-named declining in value by nearly one-half.

Mexico: Larger supplies permitted recovery in Mexican grain exports in 1967, although they were below the record levels attained in 1965. Wheat exports totaled 147,977 tons, compared with 36,231 tons in 1966, when the trade was largely in seed wheat. Corn exports also recovered, and total 1967 exports were near 1 million tons--about 28 percent above the 1966 level.

France and Switzerland together bought about three-fourths of the larger 1967 wheat exports. Other recorded destinations were Brazil and Costa Rica. Western Europe continued dominant as a market for Mexican corn. Due to a substantial rise in shipments, particularly to France and Switzerland, that region accounted for 82 percent of total Mexican exports in 1967, compared with 62 percent in 1966. Exports to Japan increased nearly 30 percent to 130,000 tons, but trade with Eastern Europe and Central America was down sharply.

Far East and Oceania

Australia: Total agricultural exports for the year ending June 30, 1968, have been estimated at US$2 billion, or slightly below the $2.3 billion value of 1966/67 exports. The five largest export items are wool, wheat, beef, dairy products, and sugar.

Export earnings from wheat are estimated at $394 million, or 9 percent below the previous year. The low auction prices prevailing for wool during the marketing season resulted in exports valued at $866 million--down 11 percent from 1966/67. The value of beef and veal exports is estimated at about $227 million, or 2 percent above 1966/67. Over 70 percent of Australia's beef and veal exports are marketed in the United States.

Earnings from dairy exports in 1967/68 were down about 15 percent from 1966/67, chiefly because less butter was exported. The value of sugar exports is estimated at $114 million--up about 3 percent from 1966/67. The volume of 1967/68 sugar trade dropped slightly below the 1,664,000 tons shipped the year before.

The latest available breakdown of trade with the United States is for 1966/67. For that period, the total value of Australian farm commodities exported to the United States was $269 million. Meat, wool, and sugar accounted for 97 percent of the total.

Australia's imports of U.S. farm commodities in 1966/67 were valued at $34.2 million, or 19 percent below the previous year. The main commodities imported from the United States in recent years have been leaf tobacco, cotton, vegetable oils, hog casings, and seeds for sowing.

India: India's agricultural imports declined from a record $1,064 million in 1966 to $1 billion in 1967. Smaller arrivals of wheat and rice caused the value of grain imports to drop by $100 million in 1967 to $693 million. This was still the second highest value for imports of grain ever recorded by India and more than double the value reported 5 years earlier. Imports of grain sorghums, tallow, vegetable oils, and cereal preparations increased in 1967.

Unloadings of grain at Indian ports declined from 10.2 million tons in 1966 to about 8.85 million tons in 1967. Imports of wheat fell from 7.8 million tons in 1966 to 6.4 million tons in 1967, as arrivals of American wheat fell by 2 million tons to 4.5 million tons. Other suppliers provided India with 1.9 million tons of wheat in 1967, including 895,000 tons from Australia; 811,000 tons from Canada; and 199,000 tons from the USSR. Rice imports declined from 786,600 tons in 1966 to 455,200 tons in 1967 because of smaller arrivals from Burma, Thailand, and the United States. Imports of grain sorghum from the United States increased from 1.6 million tons in 1966 to 1.9 million tons in 1967. Corn imports from the United States declined to about 790,000 tons; small shipments arrived from Yugoslavia.

Supplies of exportable farm products were sharply reduced by droughts in 1965 and 1966, and agricultural exports during 1967 were about $131.5 million below the peak of $747.5 million attained in 1963. Export duties implemented at the time of devaluation of the rupee (June 6, 1966) and regulations concerning foreign exchange earned by exports tended to hinder Indian exports through 1967. Total agricultural exports increased slightly from $611.5 million in 1966 to $616.0 million in 1967.

Tea exports recovered significantly in 1967, reaching 213,000 tons, compared with 179,200 tons in 1966. The value of India's tea exports in 1967--$252 million--was about the same as recorded for most of the years since 1960, except for the low level in 1966. Tobacco exports also recovered in 1967, as exports to the United Kingdom increased to a record 24,700 tons. The UAR, Czechoslavakia, the USSR, and East Germany also took more Indian tobacco in 1967. The larger exports of tea and tobacco were offset by smaller exports of sugar, cotton, peanut oilcake, and goat skins. Exports of sugar to the United States declined sharply in 1967, but a revival is expected for 1968. Shipments of oil seeds, pulses, and hides and skins to the United States were down in 1967.

Japan: Japan's imports of agricultural commodities in 1967 totaled $3,296 million. Imports of U.S. farm products were valued at $1,028 million and made up 31 percent of the total trade.

The major commodities among Japan's agricultural imports from the United States in 1967 were soybeans, wheat, grain sorghum, cotton, and corn. These five commodities accounted for about 70 percent of the total value of Japan's agricultural imports from the United States in 1966 and 76 percent in 1967. Other important commodities involved in this trade were hides and skins, tobacco, and tallow.

The volume of Japanese imports of U.S. soybeans in 1967 was 1,1771,000 tons, or approximately the same as in 1966. Imports of U.S. soybeans in both 1966 and 1967 comprised more than 80 percent of soybean imports from all sources. Japan's imports of wheat in 1967 totaled 4,130,000 tons, or 5 percent above the 3,917,000 tons imported in 1966. The U.S. share of this market was 53 percent in 1967, compared with 55 percent in 1966.

During 1966 and 1967, the United States was able to maintain its market in Japan for grain sorghum, supplying 86 and 87 percent of the total volume imported. In the corn trade, however, the United States did not fare so well.

Imports of U.S. corn in 1967 amounted to 1,584,000 tons--or approximately 40 percent of the total--while in 1966, the U.S. share of the market was over 60 percent. U.S. corn shipments to Japan have been affected by increased imports from the Republic of South Africa, Mexico, and Indonesia.

With the exception of 1966, imports of U.S. cotton have totaled over 1 million bales each year since 1962 and have comprised about one-third of Japan's total imports. Imports from the United States in 1967 amounted to roughly 1.2 million bales, the greatest volume since 1961.

Mainland China: For the first time in 5 years, Mainland China witnessed a decline in foreign trade in 1967. Although the decline was only slight compared with 1966, it contrasted markedly with the steep upward trend of recent years.

Imports of manufactures exceeded food imports, due mainly to increased purchases of iron and steel and a decrease in the purchase of wheat to 4.1 million tons in 1967 from 5.8 million tons in the 2 preceding years. There was a substantial increase in chemical imports, mainly fertilizers.

Exports of food (such as rice, meat, live animals, fruits and vegetables, fish, eggs, and tea) continued to exceed those of other major export categories (crude materials, chemicals, manufactures, and machinery) but declined about 9 percent from 1966. Of the major export categoreis, chemicals (primarily medicines and soap) registered the only significant increase in value of exports. Much of the rise may have been due to higher prices.

Africa and Middle East

Highlights of agricultural trade in Africa in 1967 included very large corn and sorghum exports by the Republic of South Africa, large grain imports into North Africa, the adverse effects of the Nigerian civil war, and sagging prices for many export products. Export earnings in 1967 were lower than in 1966 for Ethiopia, Kenya, Tanzania, and Uganda, largely because of lower export prices--to which the closing of the Suez Canal contributed indirectly. Lower earnings for Nigeria, on the other hand, were caused by a sharp fall in the volume of exports, expecially of oilseeds, vegetable oils, and rubber.

In West Asia, highlights were the reduced imports of grain, larger earnings from traditional exports, the emergence--at least temporarily--of Iran as a wheat exporter, and the disruptive effects of the closing of the Suez Canal.

Republic of South Africa: The record corn harvest of 9.9 million tons in early 1967 led to exports of 1,983,000 tons during the year. Although much above the drought-depressed levels of 1965 and 1966, this volume was half a million tons below the record exports of 1963 (2,499,000 tons). Japan was the largest purchaser of corn in 1967, receiving 898,000 tons. This is the second largest amount of corn ever sold to Japan by the Republic; in 1963, 982,000 tons were exported to Japan. The United Kingdom was the second largest corn purchaser, receiving 629,000 tons; this, too, was the second largest amount of corn ever sold to the United Kingdom. Shipments to these two

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countries plus Italy--the third largest purchaser, at 250,000 tons--accounted for about 90 percent of the total exports of corn in 1967.

In 1967, because of the record sorghum crop, the Republic of South Africa exported record amounts of sorghum (kaffircorn)--221,000 tons. The previous record exports were in 1965, when 164,000 tons of sorghum were exported. The United Kingdom continued to be the largest purchaser of sorghum, buying 121,000 tons in 1967. The percentage of South African sorghum exports to the United Kingdom has been decreasing in recent years. In 1962, 99 percent of South African sorghum exports went to the United Kingdom; in 1967, only 55 percent went there. Japan became a major purchaser of sorghum from South Africa in 1967, taking 40 percent of the exports.

Turkey: Total imports in 1967 fell to $691 million from the record level of $724 million in 1966. Most of the decrease was in imports of agricultural products--$67 million in 1966 and $37 million in 1967. Agricultural imports from the United States accounted for $22 million of the decrease (table 1). Good grain crops in 1966 and 1967 and a large harvest of olive oil late in 1966 reduced Turkish import requirements for grain, tallow, and vegetable oils. On the other hand, imports of hides, mostly from the United States, increased in value and even more in quantity.

Total exports were a record $523 million in 1967, with agriculture contributing 90 percent. Exports of agricultural products to the United States--mostly tobacco, nuts, and dried fruit--rose from $73 million in 1966 to $88 million in 1967.

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